

**Research Seminar on ESS Social Business**  
**EU ASIA Institute - ESSCA**  
**Linking Happiness and Efficiency:**  
**A New Challenge in a World Knowledge Economy.**

**October, 12<sup>th</sup>, 2017, 10h-12h30**  
**ESSCA, C104**

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**Question:** Do material wealth cause human wealth? (**Easterlin, 1974, shapiro & Stiglitz, 1984**)

We want to analyze the relations and feedbacks between happiness and efficiency.

**Methodology:** rely different approaches on the world knowledge economy (**Lundvall, 1998; Muldoon, 2013,**) and on the psychology (**Seligman, 1998 Langer, 1997**) and the behavioral economy (**Kahneman, 2011 ; Thaler, 2011**) into the complexity approaches (**Morin, 1974; Le Moigne, 2000**).

**Results and discussion:**

In an evolving world knowledge economy, based on network organization, the long run and short run behaviors of individuals and societies involve to put cooperation process in the center of the efficiency in a learning economy.

Based on these synergic relations between people, it is possible to think and act more efficiently in long and short run.

## Introduction

New inclusive world knowledge economy induces inclusive relations, based on networks and “coopetition” :

Countries	→	Firms	→	Network
Social relations	→	Economic relations	→	<u>Inclusive relations</u>
Cooperation	→	Competition	→	“Coopetition”

New paradigm in the cognitive sciences : individuals use both reason and emotion:

\* **“Bounded rationality” : Simon, Kahneman, Thaler:**

individuals **try to avoid psychological biases** in decision making (anchoring, status quo, sunk-cost, evidence, framing, forecasting).

\* **Positive psychology and complexity approach : Piaget, Morin, Le Moigne:**

individuals **accept their unperfected human condition** and transform it in strength. They thus think and act with emotion”, “Reason”, and “Metes”

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# **PLAN**

**I. The knowledge economy : how manage opposite factors?**

**II. How designing in long run your happiness and competitive advantage ?**

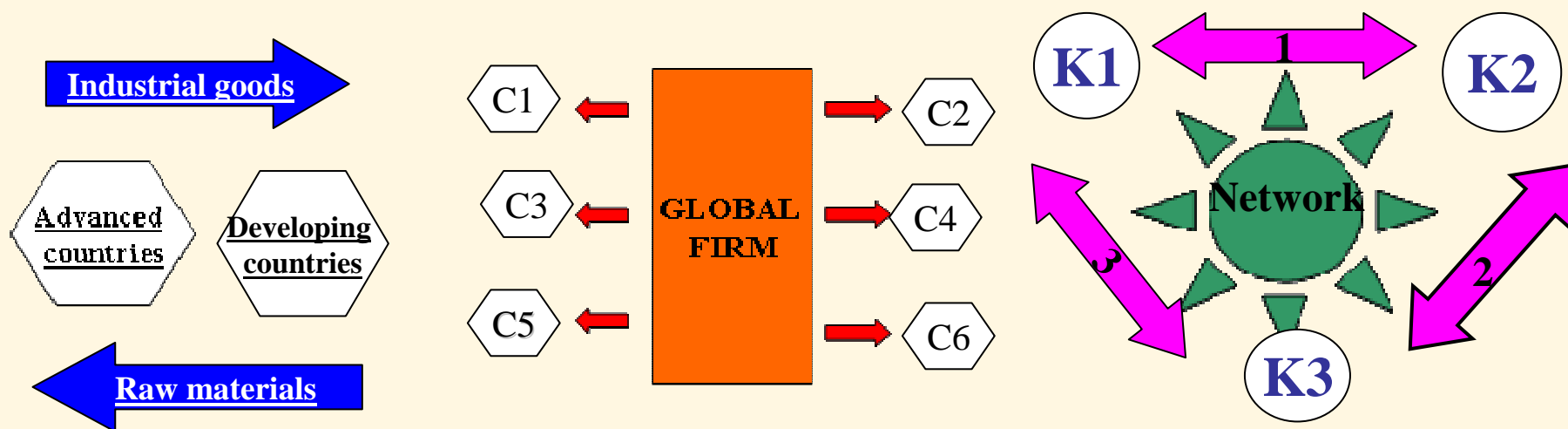
**III. Acting in short run with emotional and competitive intelligence involves greater efficiency**

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# I. The knowledge economy : how manage opposite factors?

## 1. Globalization induces network organization and “coopetition”

Goods Liberty	→	Capital Liberty	→	Knowledge Liberty
Labor Division	→	Industrial Division	→	Knowledge Division
Holism	→	Individualism	→	“Holon”
Cooperation	→	Competition	→	“Coopetition”



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## 2. The Complexity approach takes into account different ways to combine opposite factors in order to reach higher happiness and efficiency

**Multi dimensions in knowledge economy**: space, time and organization pattern

**Multi-solutions**: No optimum, Different solutions to a same question,  
Dynamic solution (the solution arises in walking).

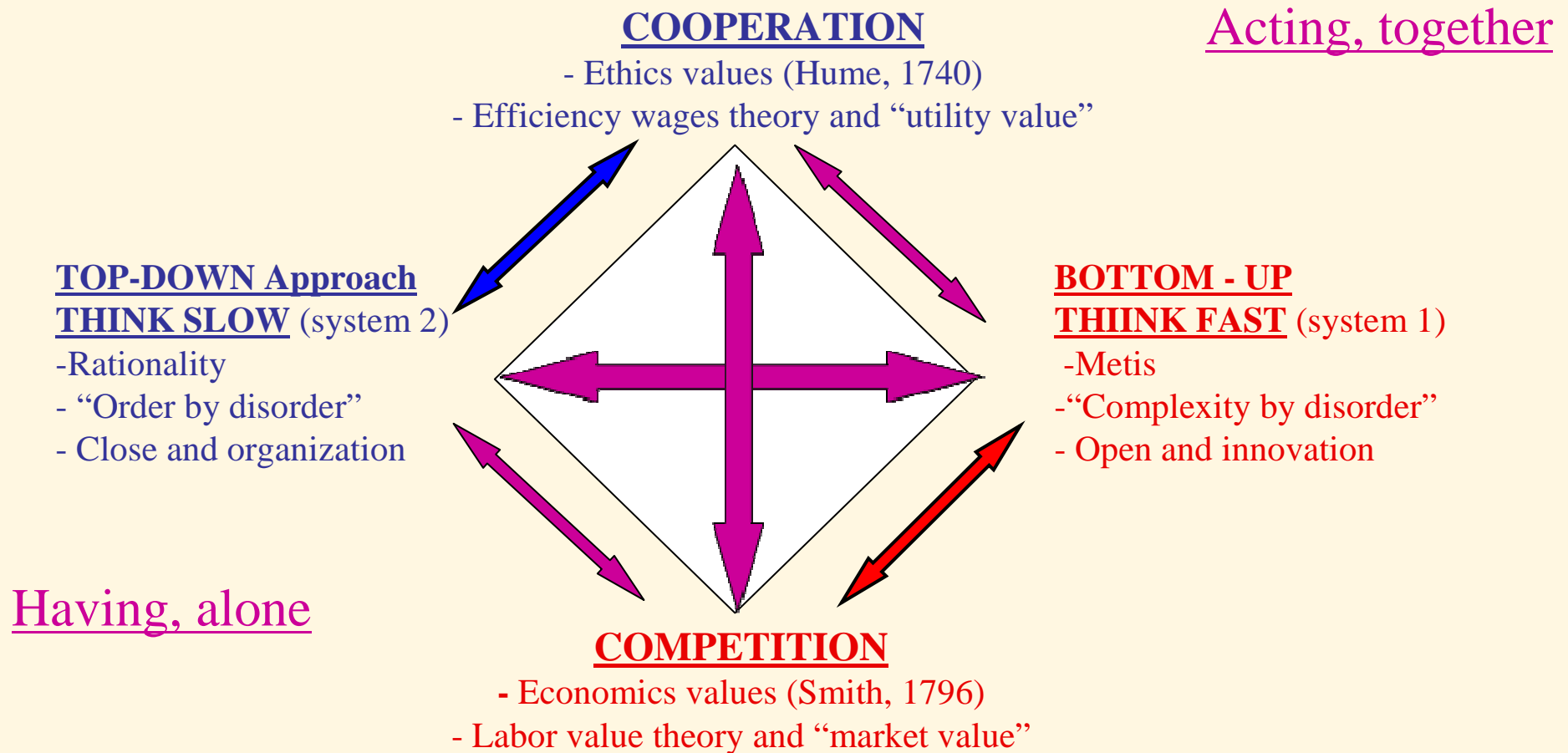
**Multi-tools**:

**Long run**: **Diversified** languages and **Continuous learning** skills

**Short run**: **New good habits** more useful than willpower and **Pro-action** and not only adaptation

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### 3. Complexity approaches: how using contradictions in order to be happier



Source : Léonard de Vinci, 1519, Valéry, 1894-1914, Bachelard, 1938, Morin, 1974, Atlan, 1979, Goleman, 1990, Kahneman, 2011

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## II. How designing in long run your happiness and competitive advantage ?

### Our thesis:

- Individual are influenced by their environment **but he can act to reach greater happiness and efficiency** (**James, 1876, Langer, 1989**)
- Be open and **think our evolution on the time** (in focalizing on our failures and successes) (**Seligman, 1998, Goleman, 2011**)
- Assimilation effect of Piaget : **think the problem in other** way in order to identify the assimilating characteristics: how being happier than today (**Piaget, 1976**)
- A “virtuous cycle of happiness” is a great motor for increasing efficiency (**Watzalwick, 1972**)



# 1. Individuals build their Happiness Advantage

## CONFIDENCE IN FRIENDS

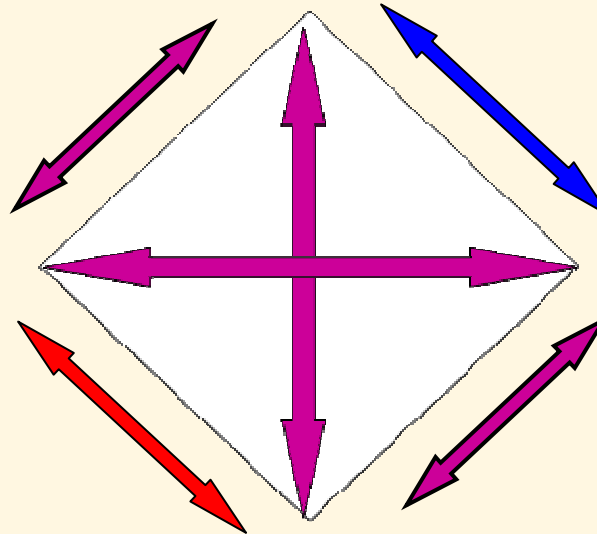
- Social relationships create endogenous strengths
- Trust your friends and ask them help

**go-between  
leader**

**Artist**

## TOP-DOWN Approach Awareness

- Positive Feeling
- Pleasure, meaning, action



## BOTTOM-UP Approach Intuition

- Think outside the box
- “Broaden and build”

**inventor**

## CONFIDENCE IN YOU:

- Change your mind to increase your efficiency
- Accept to get down and to get up

**Economic  
Leader**

Source : W. James, 1892, Langer, 1989, Crozier, 1977, Collins, 2011, 1998, Goleman, 2011, Ben-Sahar, 2007,

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## 2. New leaders within network use Emotional Intelligence

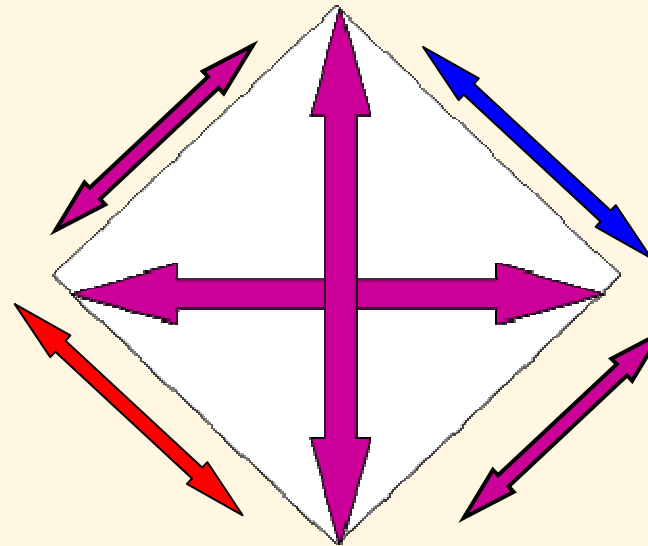
Economic leadership,  
“grow and go”

**Alan LEVY, CEO, Polygram**  
Social skills and empathy

Give people what  
they want

**Give people what**  
**they need**

Self awareness:  
**Select your weaknesses**  
**Richard BRANSON,**  
**Virgin**  
Solidarity, authenticity,  
protection



Self regulation:  
**Intuition to collect data**  
**Rey VAN SCHEIK,**  
**Heineken**  
Always there without being  
there, just know what the boss  
wants

Experts

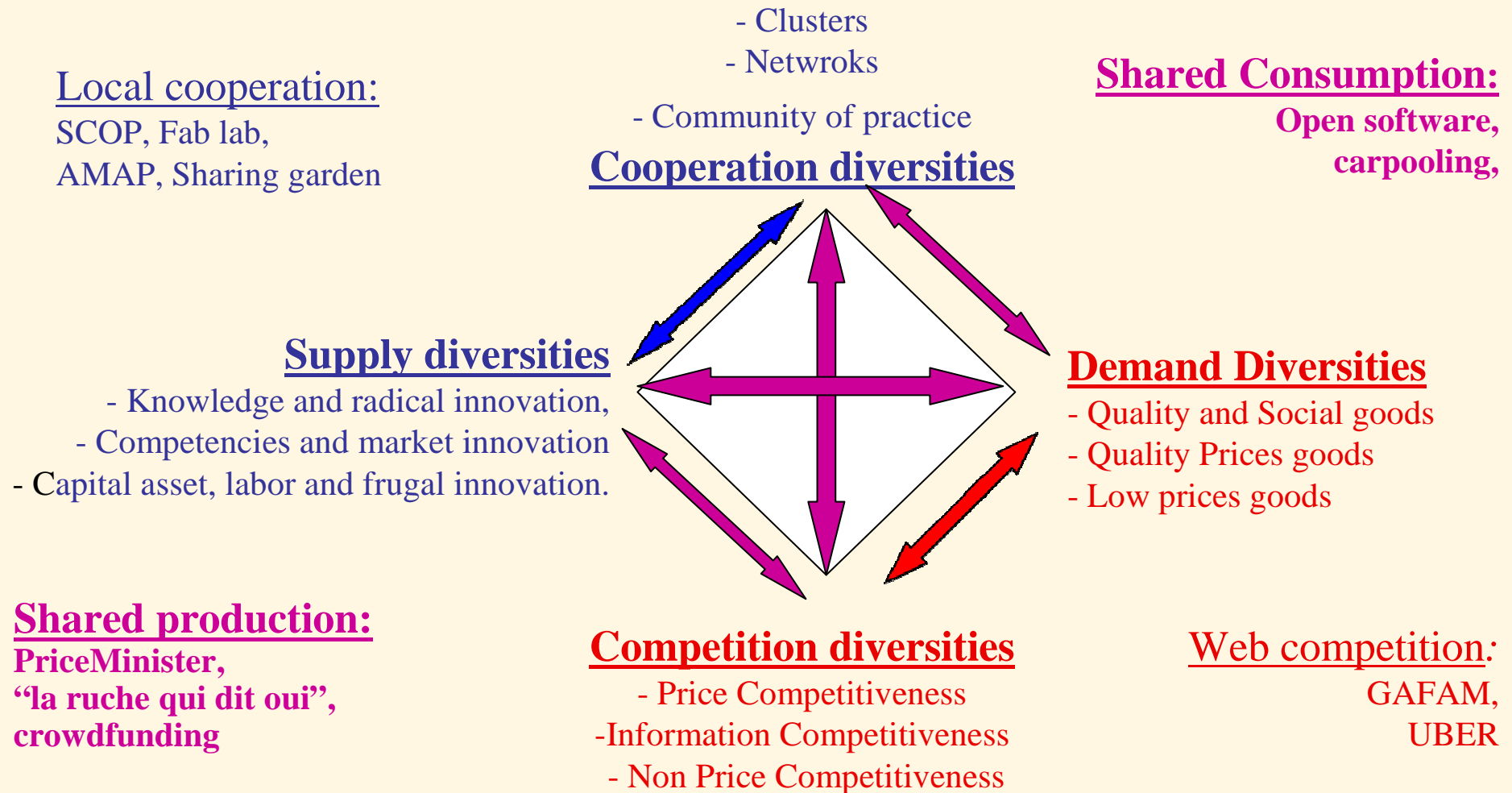
Motivation: dare to be different:  
**Sir John Harvey JONES, CEO ICI, UK**  
be and reveal your difference:  
Expertise, imagination, loyalty

**Innovators**

Source : Drucker, 2004, Kotter, 2001, Goffe and Jones, 2000, Collins, 2001, Goleman, 2011.

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### 3. Organizations design their sustainable Competitive Advantage



Source: Porter, 1990, 2011, 2017, Drucker, 2004, Baulant, 2007, 2015

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### **III. Acting in short run with emotional and competitive intelligence involves greater efficiency**

**1) Individuals : use emotional intelligence for creating new goods habits to be more to be happier and more efficient**

Quit with a bad habit, act step by step and accept to get down and get up

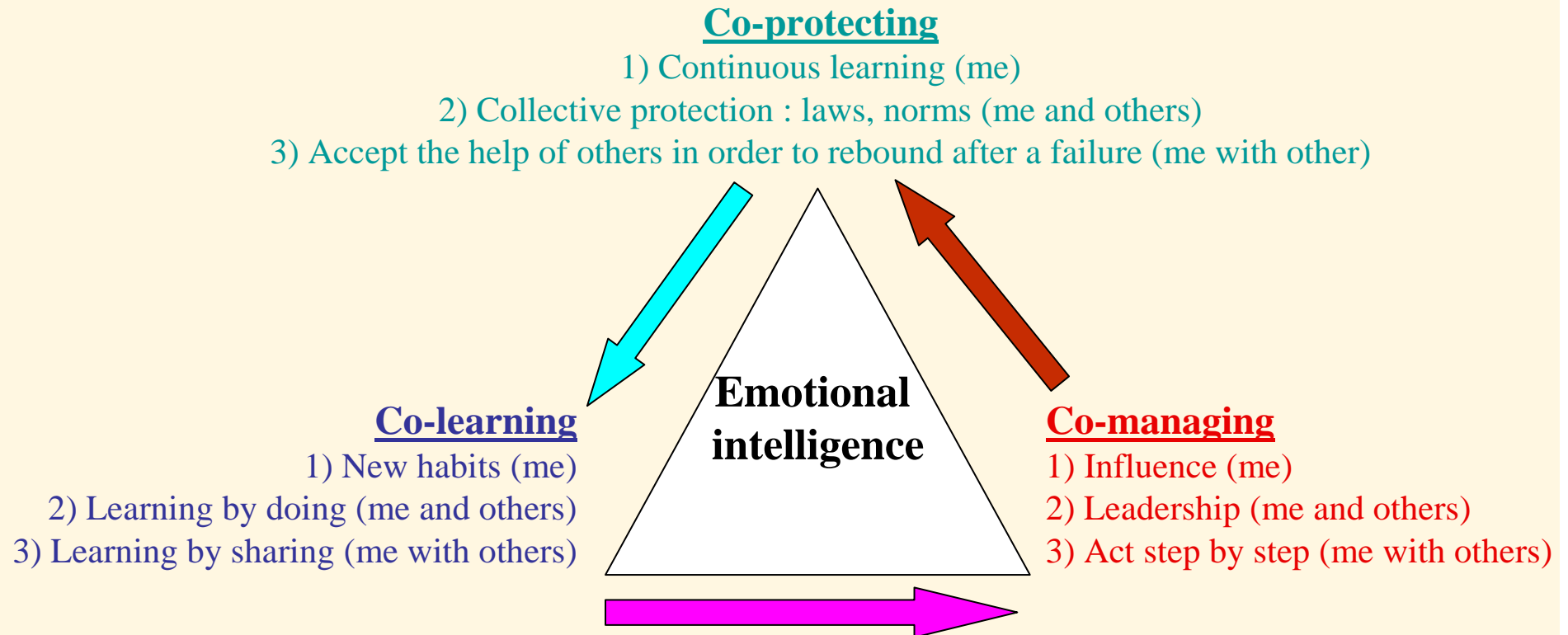
**2) Organization : use competitive Intelligence for creating nudge to be more to be happier (eat sanely) and more efficient (decrease in health spending) :**

Use learning network, induce your team to solve their problem, practice organizational innovations in combining opposite factors (security with competition, liberty and cooperation)

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# 1. Individuals: acting with emotional intelligence increases happiness and efficiency in short run



Source : James, 1892, Simon, 1951, Watzlawick, 1972, Goleman, 1990, Ben-Sahar, 2007, Achor, 2010, Kahneman, 2011, Thaler et Sunstein, 2012, Dolan, 2014

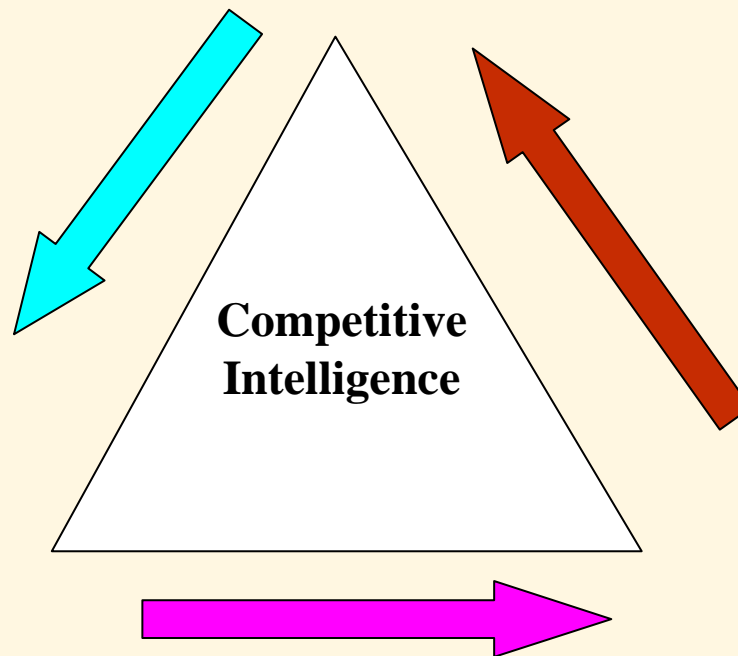
## 2. Organizations: acting with competitive intelligence increases efficiency and competitiveness of organizations in short run

- World external economies (knowledge, environment)
- National internal economies (countries, firms, individuals)
- Organizational innovation : flexi-security and nudges

### 3. Inclusive Economy

#### 1. Knowledge Networks (“Knowledge Revolution”)

- Work for pleasure
- Build a long run vision
- Respect different Learning



#### 2. Positive Influence (“Digital Revolution”)

- Positive lobbying
- “Nudges”
- Induce your team to solve their problem

Source : Wilinski, 1967, Martre, 1994, Baumard and Harbulot 1997, Lesca, 1989, Bloch, 1999, Jakobiak, 2004, Baulant, 2015

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# Conclusion

## **1. Globalization and the knowledge economy lead to a complex world.**

Pluralistic approaches (economics and psychology) and complexity approaches link opposite factors (competition and cooperation,..) in order to build efficient networks.

## **2. Willingness of each agent to cooperate with others for acting in an inclusive economy**

- Thinking slow and cooperation with others in the long run: how designing sustainable happiness advantage for individuals and competitive advantage for organizations.
- Acting fast and confrontation with others in the short run: how acting with emotional intelligence for individuals and with competitive intelligence for organizations.

## **3. Individual and collective happiness cause individual and collective efficiency:** how daring to think different involves useful sharing with others which create efficient organizational networks.

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